



Working with Partners – JV and Off-Take Arrangements

3rd Lithium Supply and Markets Conference
Toronto – January 2011

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Competent Persons

Information that relates to Mineral Resources in this report is based on information compiled by Mr. Robert Spiers who is a full time employee of Hellman & Schofield Pty Ltd. Information that relates to Exploration Results including exploration data and geological interpretations is based on information compiled by Mr Philip Tornatora who is a full time employee of Galaxy. Mr Spiers and Mr Tornatora are Members of the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the 2004 JORC Code. Mr. Spiers and Mr Tornatora consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Information in this report that relates to Mineral Ore Reserves is based on information compiled by Mr. Glenn Williamson who is a full time employee of Mining Resources Pty Ltd. Mr. Williamson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Mr. Williamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

LITHIUM IS NOT A COMMODITY

- ✦ Myth: As long as I can make Li Carb, I can sell it
- ✦ High tech downstream products
- ✦ Complex qualification process
- ✦ Technical support and marketing
- ✦ Supply reliability
- ✦ Relationships
- ✦ Pricing
- ✦ High Barrier of Entry

PRICE SENSITIVITY



Cost of Lithium in a
battery is less than 2-3%

No Lithium, no Lithium ion
battery

If Lithium cost doubled (+US\$6,000/t LC)
it would add only **US\$3.70** to this
US\$185 battery

A full-page background image showing a view of Earth from space. The Earth's horizon is visible, with blue oceans and white clouds. The sky is a deep blue, filled with numerous stars of varying brightness. The text "Vision for the Lithium Industry" is centered in the upper half of the image.

Vision for the Lithium Industry

LITHIUM INDUSTRY

- ✦ Instead of trying to bash each other up
- ✦ We need to “Grow Up”
- ✦ Industry needs to take a “big picture” strategic outlook
- ✦ Focus on developing demand for Lithium worldwide
- ✦ Expand the market rather than fight for market share
- ✦ E-Bikes, Starter Batteries, Energy Storage, EVs, Space, Military
- ✦ Collaborate and work together – “Grow the Market”

GALAXY IN JUST TWO YEARS



Conference	Santiago 2009	Toronto 2011
GXY Market Cap	A\$ 21 m	A\$ 335 m
Cash	A\$ 1.3 m	A\$ 76 m
Assets	A\$ 8 m	A\$ 200m ^
Funds Raised	-	A\$ 266m
Project	- Mt Cattlin DFS not completed	- Mt Cattlin in production - Jiangsu in construction - Off-take arrangements - James Bay 70% Farm In * - Plans for battery plant - Plans for US\$260m raising
Return %		+ 365%

A stylized world map in light blue and white, centered on the Pacific Ocean, serves as the background for the slide. The map shows the outlines of continents and major islands.

Our Vision ...to become

Integrated Lithium Resource, Chemical & Battery Co

World's second largest hard rock Spodumene mine

World's largest battery grade Lithium Carbonate producer

World's largest E-Bike Lithium Ion battery producer

FINANCING PARTNERS

- ◆ Project capital costs – A\$145 million
- ◆ Creat Group - A\$33 million
- ◆ Institutions - A\$65 million
- ◆ RZB, CDB - A\$105 million loan
- ◆ Fengli Group – A\$60 million
- ◆ Mr Li Shu Fu (Geely Chairman) – A\$30 m



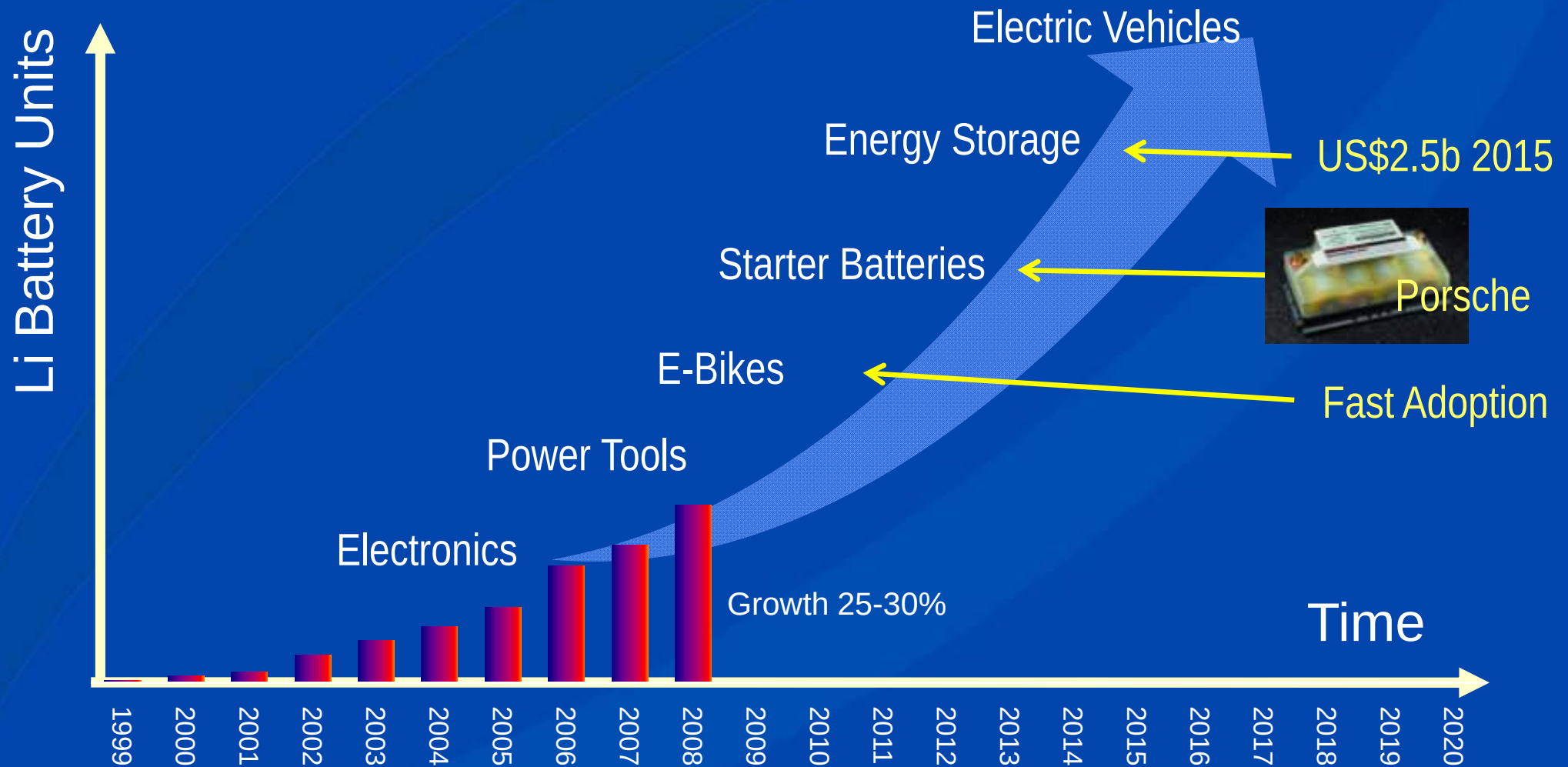
PARTNERS

- ✦ Mitsubishi as major partner in Japan (30%)
- ✦ Top 13 Major Cathode Producers in China

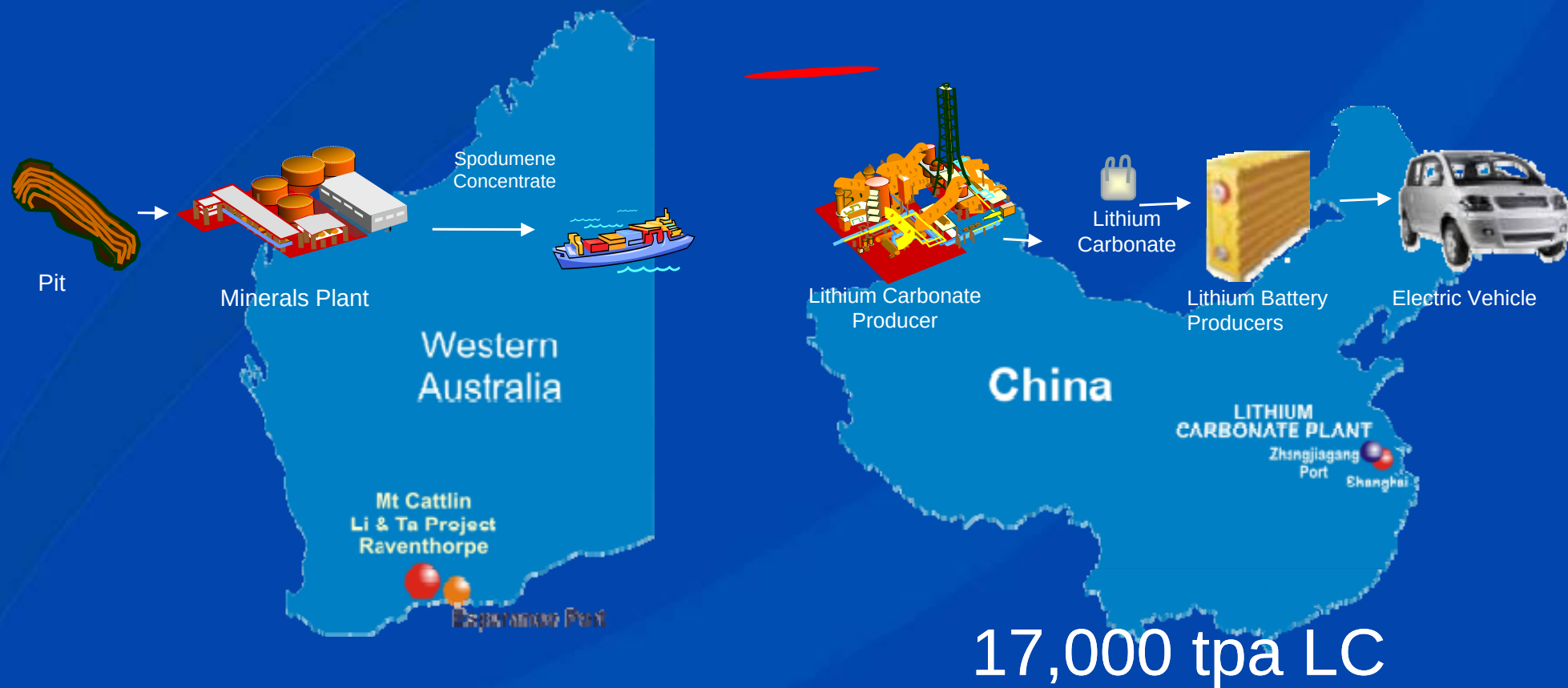


- ✦ Lithium One – James Bay Spodumene Project

GROWTH IN OTHER AREAS BEFORE EVs



FAST TRACK PRODUCT TO MARKET



Mt Cattlin Spodumene Mine

MT CATTLIN UPDATE

- ✦ Ground breaking to start up in < 11 months
- ✦ No lost time injuries
- ✦ Mining achieving grade
- ✦ Crushing plant working well
- ✦ Fine tuning of DMS plant continues
- ✦ Achieving 6.1% Li₂O grade
- ✦ First shipment Q1 2011





Open pit mining



Grade control drilling



Mt Cattlin spodumene operation



Mt Cattlin site showing crusher and ROM



ROM feed to primary crusher



Mt Cattlin control room



Primary screening plant



Dense media processing plant



DMS screening plant



Tailings thickener and waste silo



Melinda Robertson and Roger Pover



On grade spodumene product stockpile



On grade spodumene product stockpile



Ready to ship spodumene product



On grade primary tantalum concentrate



Tracking solar panels and wind turbines



meeting a lithium future

Jiangsu Lithium Carbonate Plant

CHINESE LITHIUM CARBONATE PRODUCERS









Artist Impression - Jiangsu Lithium Carbonate Plant

老沙 Laosha

Jiangsu Lithium Carbonate Plant location

© 2009 Kingway Ltd.
Image © 2009 DigitalGlobe



JIANGSU UPDATE

- ✦ No lost time injuries
- ✦ All roads on site completed
- ✦ Foundation piling for most areas of the plant
- ✦ Steel structures for buildings
- ✦ Cladding for lithium packaging and warehouse
- ✦ Major equipment fabrication
- ✦ Award of contracts
- ✦ Commissioning in end Q2 2011





Maintenance Building



Process building steelwork



Second kiln fabrication completed



Ball Milling Equipment on site



Product Centrifuge



Product Packaging Building



Process equipment arriving on site



Process building steelwork



Processing buidings



Process building steelwork



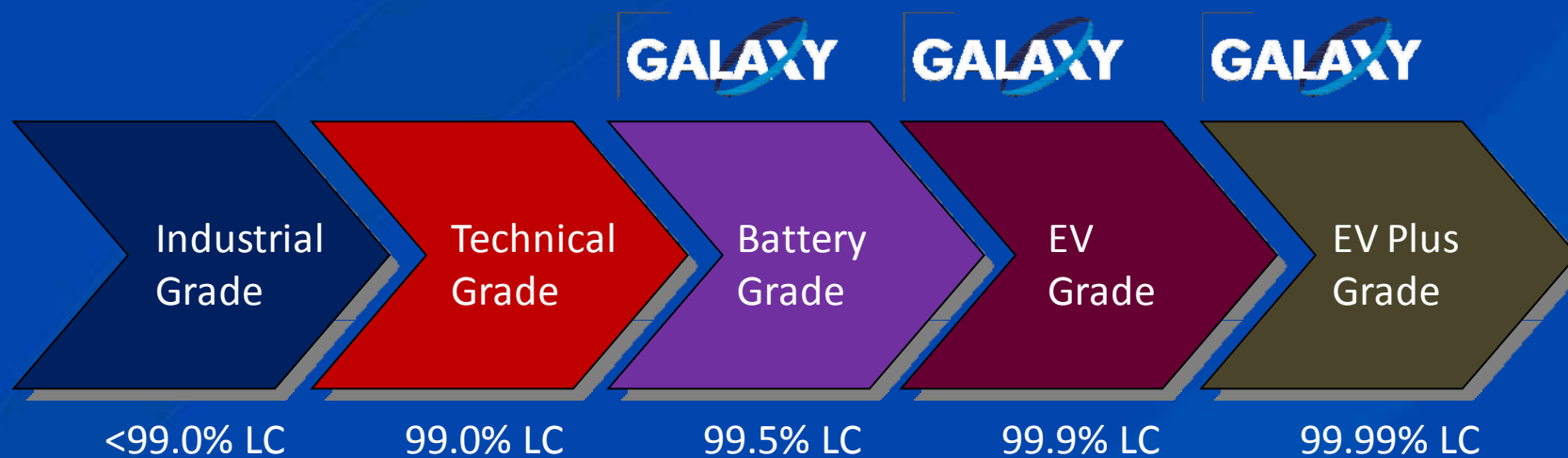
Bagging machine at the factory in Europe





Galaxy Zhangjiagang laboratory

GALAXY LAUNCHES EV GRADE



GALAXY LAUNCHES EV GRADE



- ◆ Previous capability of 99.5% LC
- ◆ Extra purification step
- ◆ 17,000 tpa capacity of “EV Grade” 99.9%
- ◆ Largest producer in the world of “EV Grade”
- ◆ Can produce 99.99% “EV Plus Grade”
- ◆ EVs will drive for higher purity product
- ◆ GXY has positioned itself for this future



WORLD CLASS DISTRIBUTION

GALAXY
meeting a lithium future



Expanding our Lithium Footprint

JAMES BAY ACQUISITION

- ◆ Building our lithium footprint
- ◆ Farm –in acquisition of 70%
- ◆ C\$3m to earn 20%
- ◆ C\$3m on DFS to earn to 51%
- ◆ DFS completion to earn to 70%



- ◆ Resource of 22mt @ 1.28% Li₂O
- ◆ Similar type to Mt Cattlin
- ◆ To use same design plants
- ◆ Copy and paste DFS

Hong Kong Listing

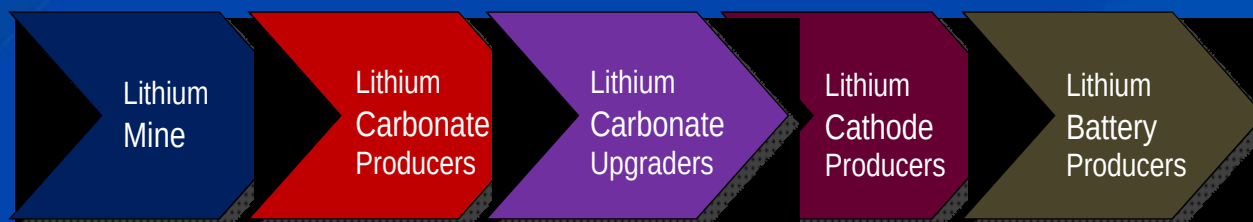
HONG KONG LISTING

- ✦ Broader investor base
- ✦ Largest and most liquid exchange
- ✦ Greater access to capital sources
- ✦ Greater alignment between our investor and our customer base
- ✦ Higher valuation multiples
- ✦ Strong appetite for Lithium exposure
- ✦ Target raising US\$260 m

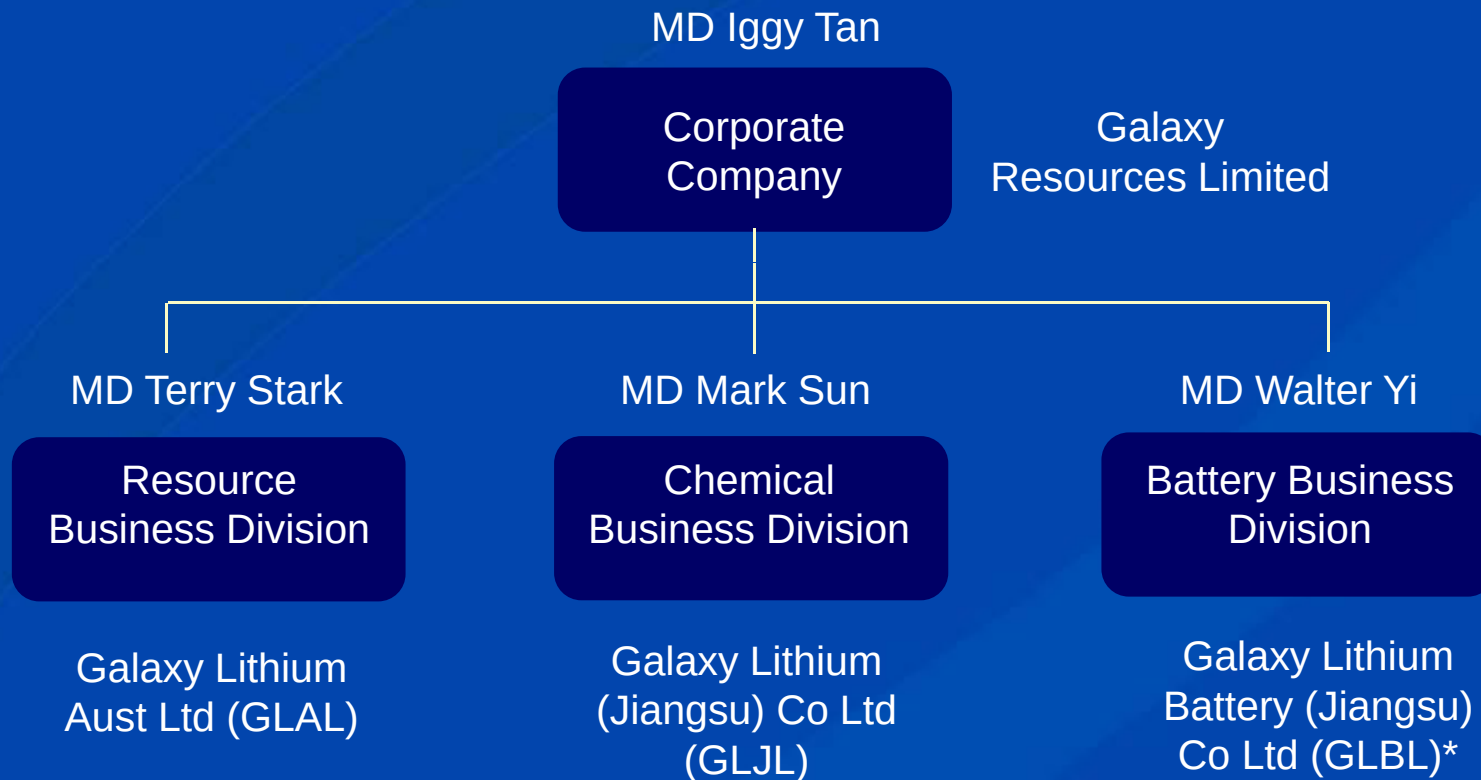


VISION

Vertically integrated, lithium resource, chemical
and battery company



BUSINESS DIVISIONS

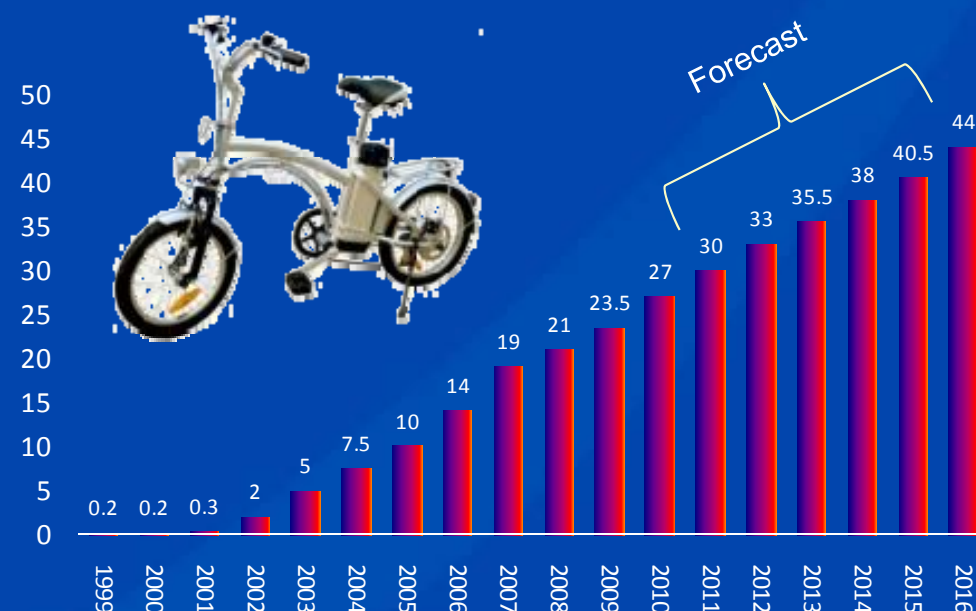


GROWTH OF E-BIKE Li BATTERIES

- China to remain as major driver
- China CAGR 8.2% till 2016
- Year 2016 Sales of US\$20million
- Production in Asia – 44 m bikes pa
- Large proportion of this growth will be conversion to lithium battery



E Bikes Sales in Asia till 2016



BATTERY PROJECT PARTNERS



Technology Partner
tba

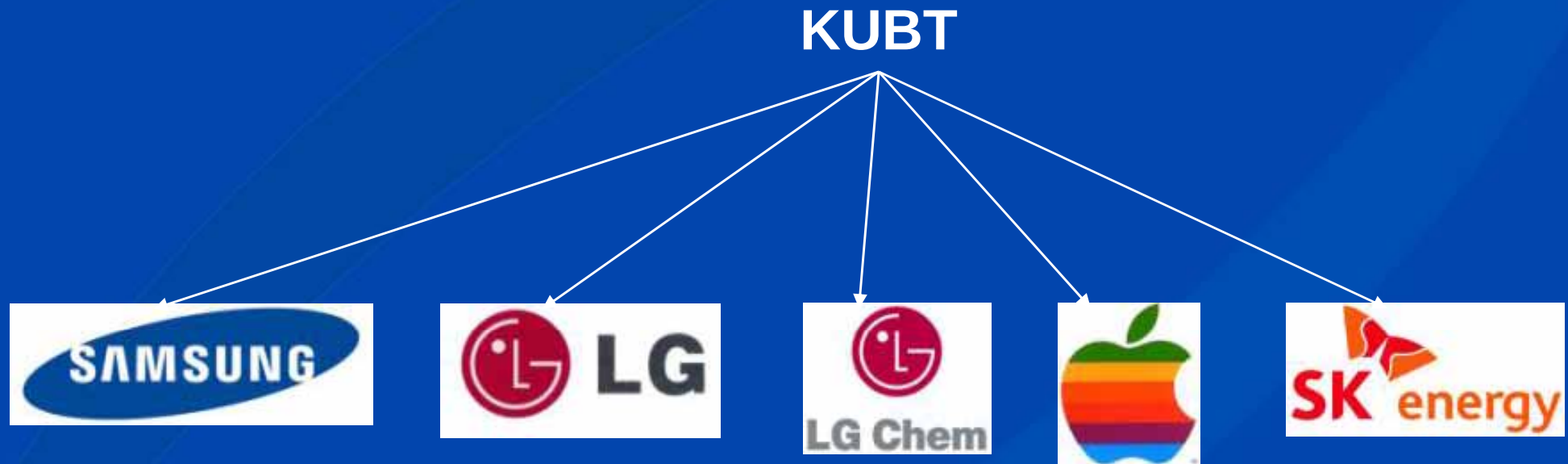
Equipment Partner
KUBT Consortium

EPCM Partner
M+W Group

Location
Zhangjiagang PRC



KUBT CREDENTIALS



GALAXY BATTERY TEAM



- ◆ Dr Yatendra Sharma – Project Manager
 - PHD Battery Technologist
- ◆ Walter Yi – Managing Director Battery Division
 - A123 Battery General Manager
- ◆ Lui Can – Technical Development Manager
 - Shanshan Battery Co
- ◆ Martin Ma – Sales & Marketing Manager
 - Boston Power Co
 - Sony China



Artist Impression - Jiangsu Lithium Battery Plant

FEASIBILITY STUDY

Lithium Ion E-Bike Batteries

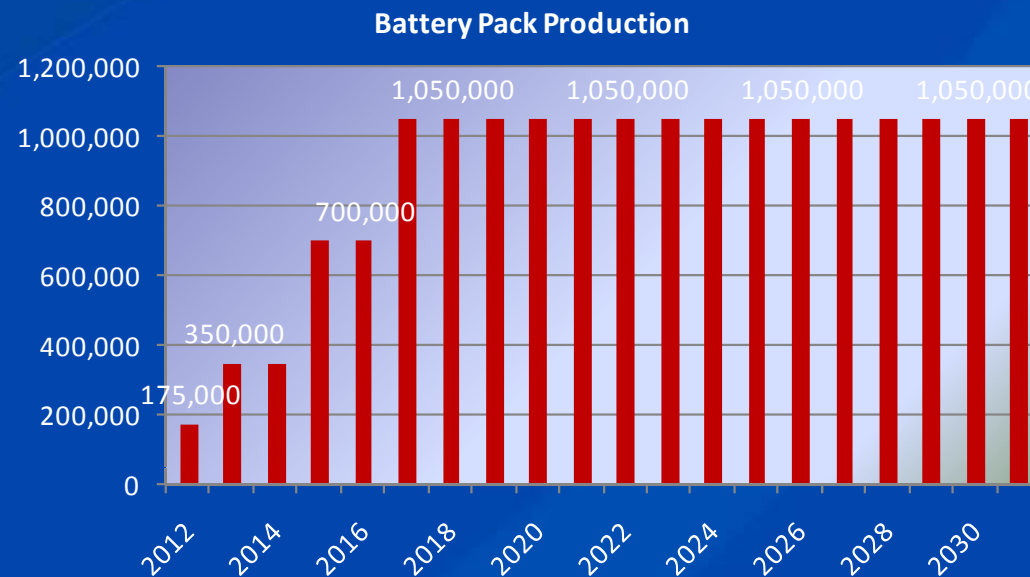
Lithium Iron Phosphate

36 V 10 Ah

Phase 1 - 350,000 pack pa

Phase 2 - 700,000 packs pa

Phase 3 - 1,000,000 packs pa



MIXERS



COATING AND DRYING



ROLLING AND SLITTING



VACUUM DRYING



SEPARATOR FORMATION



AUTOMATIC WINDING



BATTERY ASSEMBLY EQUIPMENT



Roll Laminating



Taping

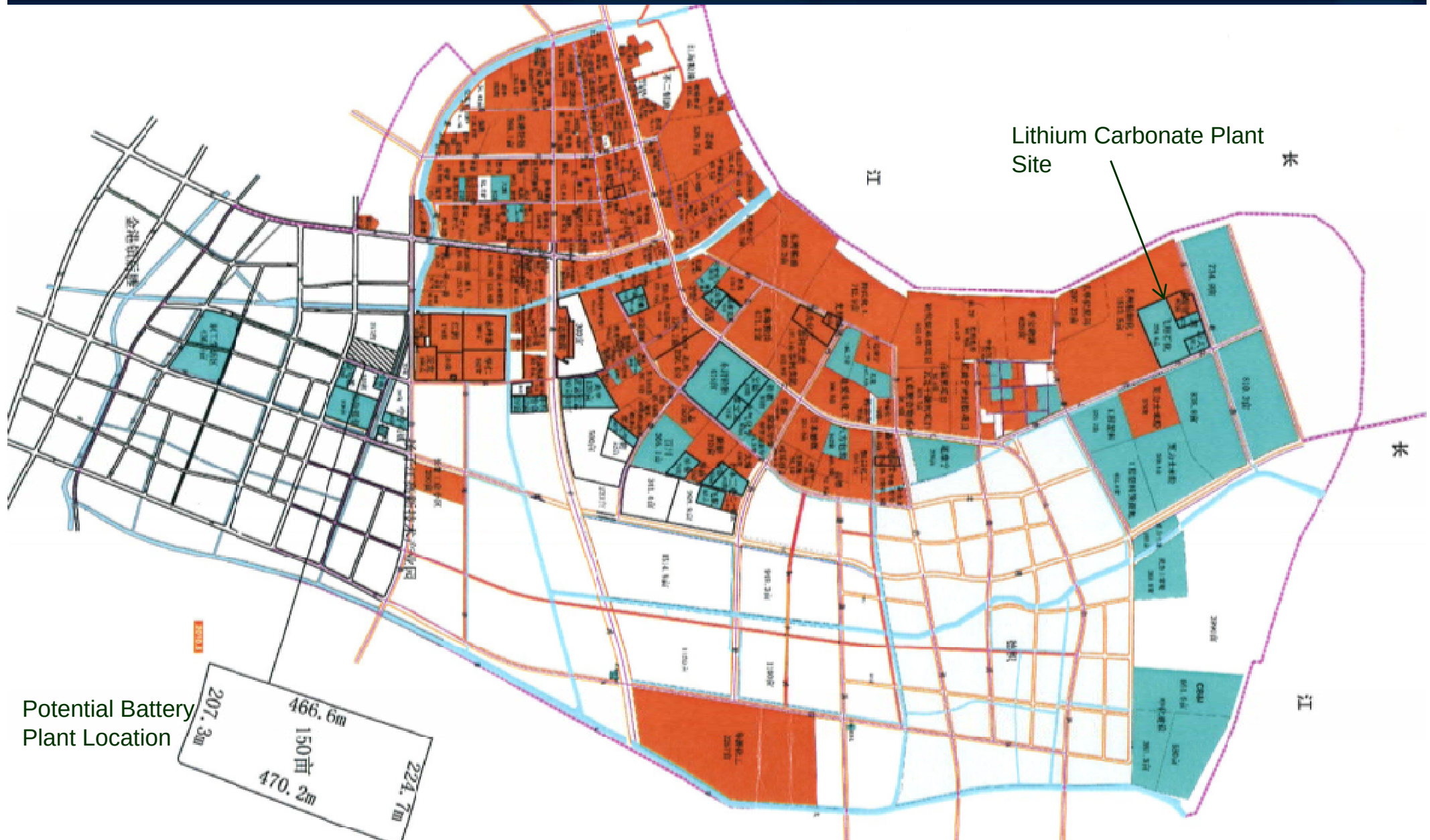


Heat Sealing

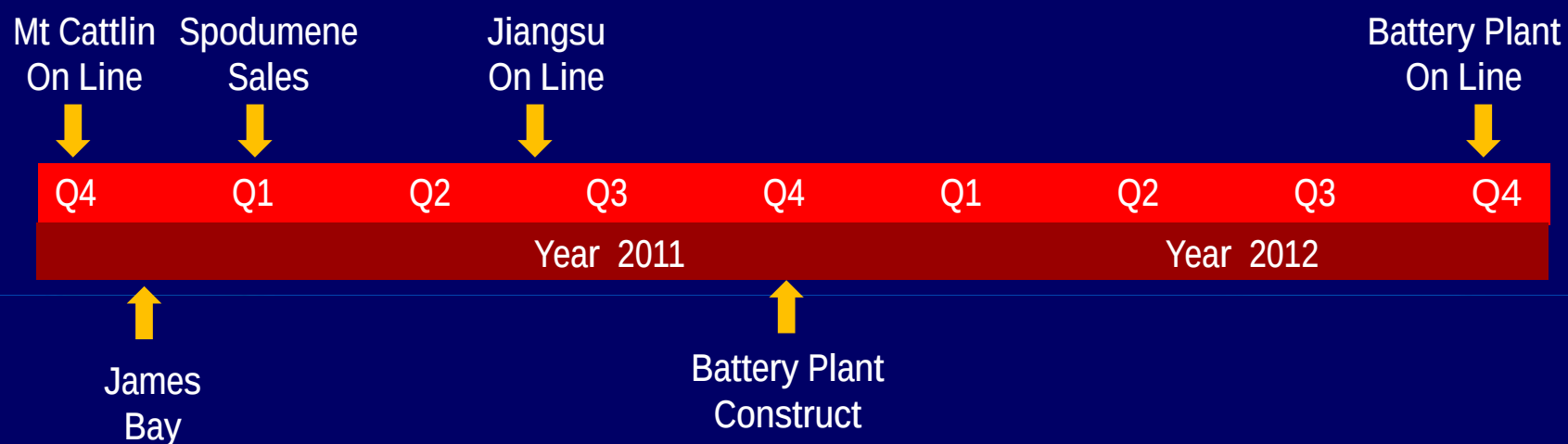
AGING FORMATION GRADING DEGASSING



LOCATION OF BATTERY PLANT



COMPANY TIMELINE





“Galaxy will continue to do what we say we are going to do”